

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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February 7, 1997 LB 200

Committee and signed by its members. (Read title.) The bill was introduced in January of this year, referred to the Agriculture Committee, advanced to General File. I have committee amendments pending, Madam President. (Committee amendment, AM0070, found on page 474 of the Legislative Journal.)

PRESIDENT ROBAK: The chair recognizes Senator Dierks to open on the bill.

SENATOR DIERKS: Thank you, Madam President, and members of the body. LB 200 is a bill that was introduced by the Ag Committee on behalf of the Department of Agriculture, and it was voted out of committee unanimously. The committee amendments have a small harmonizing change which I'll explain a little later. The bill amends the Nebraska Farm Mediation Act by expanding the scope of the mediation program to include any adverse decision made under a USDA program. Currently, the program is limited to mediation of borrower/lender matters. The types of cases which would be eligible under LB 200 would include farm program eligibility rulings, wetlands compliance determinations, crop insurance disputes, and a variety of other USDA programs which impact producers. The Nebraska Farm Mediation Program was established as a result of the Agricultural Credit Act of 1987 to provide mediation services to farmers who hold loans with the USDA's Farm Services Agency. As part of that legislation, states may apply to become a USDA certified mediation program. Certification allows a state program to mediate federal ag loan cases and be eligible for federal funding. The USDA Reorganization Act of 1994, and effective in '96, expanded federal funding to the additional issues made eligible for mediation by this bill. Mediation is a voluntary process whereby the parties meet informally with a neutral third party and attempt to resolve disputes. These are voluntary in that neither party is obligated to submit to mediation and only mutually agreed results are binding. A party does not forfeit extensive administrative due process available under the Federal Farm Program to appeal agency decisions, nor does the party forfeit the right to litigate in a court of law. Mediation does, however, provide an alternative which is less confrontational and sometimes more conducive to negotiation. The USDA has found that the process has worked well for credit